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REPLY TO:
Audit Liaison Office
P. O. Box 8155
S. W. Station
Washington, D. C.

15 November 1965

**SUBJECT: Advisory Report of Final Audit of CPFF Task Order
Itek Corporation
Newton, Massachusetts
Task Order No. 2 to Contract BB-425**

TO : Contracting Officer

1. This is the final audit report for Task Order No. 2 to Contract BB-425 dated 30 June 1961. The Task Order required the contractor to conduct a complete engineering design study in two phases directed toward the development of a viewer capable of employing high resolution photography with a minimum degradation. The task order was terminated on 5 April 1962 in its entirety for the convenience of the Government after completion of Phase I. The contractor submitted all documents pertaining to this Task Order as for a completed Task Order. The auditor takes no exception to this submission.

2. The Task Order provided for estimated costs of \$89,013 and fixed fee of \$7,258 totaling \$92,291.

3. The contractor submitted the following documents to effect closing of the Task Order. They are:

- a. Final cost summary and certificate
- b. Contractor's release
- c. Contractor's assignment of refunds, rebate and credits.
- d. Certification of percentage of completion of Task Order.
- e. Inventory schedule (DD Form 543) required in terminations.
- f. Report of inventions and subcontracts
- g. Check payable to Treasurer of the United States for \$1,197.74 representing the difference between the amount billed by the contractor and the amount claimed as costs incurred plus the portion of the fixed fee.

4. The results of audit follow:

	<u>Per Contractor</u>	<u>Per Auditor Costs Accepted</u>
Costs	\$9,964.83	<u>\$9,964.83</u>
Fee	<u>2,685.00</u>	
Total claimed	<u>\$12,649.83</u>	

5. Comment on Fixed Fee:

The contractor calculated the Fixed Fee at 37% of the total fee of \$7,258 shown in paragraph 2 above. The 37% represents the percentage of completion as certified by the contractor. It is to be noted that the ratio of costs incurred (\$9,964.83) to total costs (\$85,035) estimated in paragraph 2 above is 11.7%.

7. Allowable costs were determined in accordance with Sections VIII and XV, Armed Services Procurement Regulation and other terms of the contract.

7. There are no unclaimed wages, unclaimed deposit, unrepresented checks or known potential credits or refunds.

8. There are no known charges outstanding against the contractor for any loss, damage, or destruction of Government Property.

SIGNED

[Signature Box]

Auditor General Representative

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